BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the First True-Up Filing Under the Commission- Approved Fuel Adjustment Clause of Union Electric Company d/b/a Ameren Missouri.	))))	File No. ER-2010-0274

STIPULATION OF FACTS

COME NOW Union Electric Company d/b/a Ameren Missouri ("Company" or "Ameren Missouri") and the Staff of the Missouri Public Service Commission (the "Staff") and agree that the following facts are true and undisputed:

1. The Company, the Staff, Public Counsel, the Missouri Industrial Energy Consumers ("MIEC"), and Noranda Aluminum, Inc. entered into a non-unanimous agreement, "Stipulation and Agreement as to all FAC Tariff Rate Design Issues" (the "FAC Stipulation"), in Case No. ER-2008-0318. A true and correct copy of the FAC Stipulation is attached hereto and incorporated herein by this reference as Exhibit A. The FAC Stipulation incorporates by reference part of the non-unanimous "Stipulation and Agreement as to Off-System Sales Related Issues" (the "OSS Stipulation") filed December 11, 2008 in Case No. ER-2008-0318. A true and correct copy of the OSS Stipulation is attached hereto and incorporated herein by this reference as Exhibit B

2. No party objected to the FAC Stipulation, and thus the Commission treated the FAC Stipulation as unanimous in accordance with the Commission's procedural rules. The Commission approved the FAC Stipulation as submitted.

3. Except for the "Summer NBFC Rate," the "Winter NBFC Rate," and the sharing percentage to be applied to changes in net fuel costs, the FAC Stipulation reflected agreement on all of

the terms and conditions of the Company's fuel adjustment clause, if the Commission authorized Ameren Missouri to implement a fuel adjustment clause in Case No. ER-2008-0318.

4. In Case No. ER-2008-0318 the Commission authorized Ameren Missouri to implement a fuel adjustment clause.

5. The Company filed fuel adjustment clause tariff sheets in Case No. ER-2008-0318 that included all the terms and conditions of the FAC Stipulation, the Staff reviewed them and recommended the Commission approve them, and the Commission approved the tariff sheets on February 19, 2009, to become effective March 1, 2009. A true and correct copy of the FAC tariff sheets the Commission approved in Case No. ER-2008-0318 are attached hereto and incorporated herein by this reference as Exhibit C, and hereinafter are referred to as "Rider FAC."

6. Rider FAC applied to electric service the Company provided from March 1, 2009, through June 20, 2010.

7. Rider FAC was in effect throughout some or all of five different Accumulation Periods ("AP"), as AP is defined in Rider FAC.

8. The Company will make a total of five true-up filings, one for each AP, in which the terms and conditions of Rider FAC will apply for all or part of the AP. This case is the first true-up filing and arose from the first AP under Rider FAC.

9. Starting with customer billings in the Ameren Missouri October 2009 billing month, customer bills contained a Rider FAC line item expressed in dollars, which reflected the FPA_C rate applied to each customer's usage during the period covered by the customer's bill.

10. The FPA_C rate is determined according to a formula in Rider FAC, as follows:

$$FPA_C = FPA_{(RP)} + FPA_{(RP-1)} + FPA_{(RP-2)}$$

where $FPA_{(RP)} = [[(CF+CPP-OSSR-TS-S) – (NBFC \times S_{AP})]x\ 95\% + I + R]/S_{RP}$

11. The FPA_C rate formula contains several inputs, each of which must be determined according to the terms of Rider FAC. One of those inputs—"NBFC"— is defined in Rider FAC.

12. The FAC charges (or credits) appearing as a line item on customers' bills reflect for certain accumulation periods 95% of the difference between (i) and (ii), where (i) is the Company's actual fuel and purchased power costs adjusted by the Taum Sauk (TS) and Stipulation (S) factors as agreed to in the FAC Stipulation, net of off-system sales revenues during the relevant accumulation period(s), and (ii) is, for those same accumulation periods, NBFC multiplied by S_{AP}, where S_{AP} is "[s]upplied kWh during the Accumulation Period that ended prior to the applicable Filing Date, at the generation level."

13. "NBFC" is defined in Rider FAC tariff sheet no. 98.5**.**

14. The phrase "at the generation level" in the definition of NBFC means that Rider FAC required that the sales used to determine the Summer NBFC Rate and Winter NBFC Rate (the "Test Year Sales") be determined using kWh sales that included associated transmission and distribution losses, such that the Test Year Sales would reflect the total energy that must be generated to meet the normalized test year load upon which customer rates were set.

15. The Summer NBFC Rate and the Winter NBFC Rate were calculated by dividing allocated Summer and Winter Net Base Fuel Costs determined in Staff's simulation model runs ("Modeling Runs") attached as Appendix A to the OSS Stipulation by the respective normalized Summer and Winter kWh sales used in those Modeling Runs.

16. The normalized Summer and Winter kWh sales ("Test Year Sales") used to calculate the Summer NBFC Rate and the Winter NBFC Rate for Rider FAC were not at the generation level because they included distribution losses, but not transmission losses.

17. If the Test Year Sales used to calculate the Summer NBFC Rate and the Winter NBFC Rate in Rider FAC had included transmission losses, and thus had been determined at the generation level, the Summer NBFC Rate and the Winter NBFC Rate in Rider FAC would have been lower and resulted in the product of NBFC and S_{AP} being lower for each of the accumulation periods where the Summer NBFC Rate and the Winter NBFC Rate of Rider FAC are in effect for any purpose, including true-up and prudence reviews.

18. The Modeling Runs are based on the use of an average system loss factor of 4.9%.

19. The average system loss factor of 4.9% contained only distribution losses.

20. When the Modeling Runs were made, and also when Rider FAC was presented to the Commission in January 2009 for approval, neither the Company nor the Staff recognized that the Test Year Sales did not include transmission losses; thus, neither the Company nor the Staff realized that the Summer NBFC Rate and the Winter NBFC Rate in Rider FAC was not calculated at the generation level.

21. Prior to the commencement of the Midwest Independent Transmission System Operator, Inc. (“Midwest ISO”) Day Two markets in 2005, the Company included distribution and transmission losses in the average system loss factors the Company used as part of the process of booking unbilled sales.

22. After the commencement of the Midwest ISO Day Two markets in 2005, the Company began selling its generation output into the Midwest ISO markets, and began purchasing from the Midwest ISO markets all of the energy required to serve the Company’s load.

23. The Midwest ISO defines “load” to be net of system losses. “System losses” is the term the Midwest ISO uses to describe transmission losses. Consequently, “load” as defined by the Midwest ISO does not include transmission losses.

24. Because of the manner in which the Midwest ISO defines "load," when the Midwest ISO commenced Day Two markets the Company stopped including transmission losses in the Company's average system loss factors.

25. In calculating $FPA_{(RP)}$ for each AP, the Company must multiply the appropriate NBFC (Summer NBFC Rate or Winter NBFC Rate) by S_{AP}. S_{AP} is defined by Rider FAC as "Supplied kWh during the Accumulation Period that ended prior to the applicable Filing Date, at the generation level."

26. In calculating $FPA_{(RP)}$ for each AP, the Company calculated S_{AP} according to its definition in Rider FAC; that is, the Company used estimated kWh, at the generation level, meaning the Company used billing month kWhs adjusted to estimate calendar month usage and adjusted for distribution and transmission losses as Ameren Missouri estimated them in its last loss study.

27. When the Company filed to change to its FPA_C based on the first AP, the Staff did not know the Company had not calculated the sales in the first AP in a manner (with transmission losses) consistent with the Test Year Sales (without transmission losses) used to calculate the Summer NBFC Rate of Rider FAC.

28. Because transmission losses were omitted from the Test Year Sales used to calculate the Summer NBFC Rate and Winter NBFC Rate of Rider FAC, the Summer NBFC Rate and the Winter NBFC Rate of Rider FAC were determined on one basis (without transmission losses; i.e., not at the generation level) and S_{AP} was determined on a different basis (with transmission losses; i.e., at the generation level), creating an unintended mismatch. This mismatch produces a Summer NBFC Rate multiplied by Summer S_{AP} and a Winter NBFC Rate multiplied by Winter S_{AP}, against which actual net fuel costs are compared in determining the $FPA_{(RP)}$ for the accumulation period that is charged (or credited) to customers through FPA_C, that were higher than they would have been had transmission

losses been included when the Summer NBFC Rate and Winter NBFC Rate of Rider FAC were calculated.

29. The Company discovered this mismatch in November 2009 and initially contacted the Staff about it shortly thereafter. They had discussions about the issue in early 2010. Then the Staff, representatives of MIEC and the Company met about the issue on May 11, 2010.

30. The Company and the Staff again met about the issue on August 17, 2010.

31. The Recovery Period (as defined in Rider FAC) arising from the first AP was completed on September 30, 2010.

32. The Company's true-up filing for the first Recovery Period was due and filed by the Company on December 1, 2010.

33. The Company's true-up filing reflects an additional $482,239 the Company would have billed to its customers throughout the first Recovery Period had the above-described mismatch not existed.

34. This mismatch in including and not including transmission losses in the calculations of the Summer NBFC Rate, Winter NBFC Rate and S_{AP} continued in the Company's calculations of $FPA_{(RP)}$, $FPA_{(RP-1)}$ and $FPA_{(RP-2)}$ throughout the recovery periods for some or all of five different accumulation periods where the Summer NBFC Rate and Winter NBFC Rate found in Rider FAC applied.

35. The Company's position is that it is lawful for the Commission to and that it should allow the Company to collect the additional $482,239 (plus accumulated interest) through its future FPA_C applied commencing with the first FPA_C adjustment that occurs after this case is resolved, and that the Commission can and should order that the impact of the above-described mismatch be corrected in the Company's next four true-up filings.

36. The Staff's position is that, as a matter of law, the Commission cannot provide the relief requested by the Company; and, secondarily, if it is lawful for the Commission to provide the relief requested by the Company, the Commission should not grant the requested relief.

37. The Company and the Staff agree that the Commission's resolution of this issue, whether in favor of the Company's position or the Staff's position, should apply to this first true-up filing and the Company's next four true-up filings, subject to the rights existing under Section 386.500 et seq., RSMo.

38. The estimated impact of correction of the above-described mismatch in the true-up filings applicable to the next four Recovery Periods is as follows:

Recovery Period 2:	$1,619,423
Recovery Period 3:	$ 982,216
Recovery Period 4:	$1,554,742
Recovery Period 5:	$ 496,675

39. The Summer NBFC Rate and the Winter NBFC Rate in the tariff sheets that succeed Rider FAC that applies to service taken by the Company's customers on and after June 21, 2010 (arising from Case No. ER-2010-0036) were determined at the generation level using sales that include distribution and transmission losses, meaning the issue regarding the mismatch described herein will not be an issue for Accumulation Periods after the fifth Accumulation Period, i.e., starting with the true-up filing for Recovery Period 6.

WHEREFORE, Ameren Missouri and the Staff hereby submit this Stipulation of Facts.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was served via e-mail on all counsel of record to the case in which the fuel adjustment clause in effect for the true-up filing made herein was approved, on this 3rd day of March, 2011.

/s/James B. Lowery